

## Message Text

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64

ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-09 NSAE-00 RSC-01 FAA-00 DOTE-00 L-03 SS-14 NSC-10

RSR-01 /070 W

----- 094796

R 192307 Z MAR 73

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 2389

INFO AMEMBASSY GUATEMALA

AMEMOEASSY MANAGUA

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

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E. O. 11652: N/ A

TAGS: ETRN, EL

SUBJECT: CIVAIR: SITREP ON PAN AM SCHEDULES

REF: A. SAN SALVADOR 0829 NOTAL; B. STATE 047336 NOTAL

1. SUMMARY: GOES DAC DIRECTOR COL. DHEMING CHAIRED A MEETING MARCH 16 AT WHICH TACA PRESENTED ITS CASE AGAINST PAN AM'S PRESENT SCHEDULE. TACA SAID THE PRESENT SCHEDULE IS SERIOUSLY DAMAGING TACA BUT THAT THE NOW SCHEDULE PROPOSED FOR APRIL 29 ( BASED ON PUBLICATION IN OAG) WOULD CAUSE BANKRUPTCY. ACCORDING TO LOCAL PAN AM DIRECTOR MARTINEZ, TACA DID NOT OPPOSE A FINAL EXTENSION OF THE CURRENT SCHEDULE AND DHEMING MADE A VERBAL EXTENSION TO APRIL 29, WHICH MARTINEZ EXPECTS TO SEE CONFIRMED BY A DAC RESOLUTION THIS WEEK. MARTINEZ SEES TACA'S ASSAULT NOW FOCUSING ON THE NEXT SCHEDULE FILING AND ON CAPACITY INSTEAD OF FREQUENCIES. HE BELIEVES TACA WILL TAKE ITS CASE TO THE HIGHEST LEVELS IN GOES AND TO OTHER CENTRAL AMERICAN CARRIERS. END SUMMARY.

2. AT A MEETING CALLED BY COL. DHEMING MARCH 16, TACA' VICE PRESIDENT JAIME QUEZADA PRESENTED PASSENGER STATISTICS FOR MONTH PRIOR TO THE CURRENT PAN AM SCHEDULE WHICH WENT INTO EFFECT LAST OCTOBER AND FOR THE LAST FOUR COMPLETE

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MONTHS. PAN AM DIRECTOR MARTINEZ TOLD EMBOFF THAT THE STATISTICS SHOWED THAT TACA'S PASSENGER BUSINESS, IN ABSOLUTE AND SHARE OF MARKET TERMS, HAD DECREASED. MARTINEZ' OWN DATA ALSO CONFIRMS TACA'S STATISTICS AND REVEAL AN INCREASE FOR PAN AM AND A DECREASE FOR TACA. MARTINEZ DID NOT RESPOND TO THE PRESENTATION AT THE MEETING BUT HE HAD BEEN PROMISED A COPY OF TACA'S SUBMISSION WHICH HE WILL SEND TO NEW YORK; HE WILL RESPOND TO TACA'S PRESENTATION AS NEW YORK INSTRUCTS.

3. TACA IS NOW FOCUSING ON CAPACITY, NOT ON FLIGHT FREQUENCIES. QUEZADA TOLD DHEMING AT THE MEETING THAT HE WOULD NOT OPPOSE A FINAL EXTENSION OF PAN AM'S SCHEDULE BUT THAT TACA WOULD OPPOSE THE NEW SCHEDULE FILING, WHICH IS FOR THE SCHEDULE EFFECTIVE APRIL 29. HIS CRITICISMS OF SIGNIFICANT PAN AM CAPACITY INCREASES FOR THAT SCHEDULE ARE BASED ON THE SCHEDULES PUBLISHED IN THE OAG. IT REVEALS A DECREASE OF THREE FREQUENCIES A WEEK BUT A SIGNIFICANT INCREASE IN SEATS AVAILABLE, OWING TO FURTHER SWITCHING FROM 727'S TO 707'S. TACA'S LOCALLY ANNOUNCED INTENTION TO INCREASE FLIGHTS TO MIAMI ON APRIL 14 TO A DAILY FREQUENCY SHOULD AFFECT BOTH FLIGHT FREQUENCY AND CAPACITY COMPARISONS. DHEMING ASKED FOR TACA'S ANALYSIS OF THE APRIL 29 SCHEDULE ASAP AND MARTINEZ EXPECTS A COPY AS SOON AS DHEMING HAS IT. MARTINEZ CONSIDERS THIS AN ADVANTAGE TO PAN AM IN THAT IT CAN PREPARE ITS RESPONSES EVEN BEFORE IT OFFICIALLY FILES FOR THE APRIL 29 SCHEDULE ( FILING IS USUALLY A MONTH IN ADVANCE).

4. SINCE HE IS ASSURED OF A FINAL EXTENSION FROM APRIL 2 TO APRIL 29, MARTINEZ BELIEVES THE REAL CONFRONTATION WITH TACA HAS BEEN SHIFTED TO THE APRIL 29 SCHEDULE. HE TOLD EMBOFF HE HAS REASON TO BELIEVE TACA WILL TAKE ITS CASE OVER DHEMING'S HEAD TO HIGHER GOES OFFICIALS AND THAT, AS IT DID LAST OCTOBER, TACA WILL SEEK A UNIFIED POSITION AGAINST PAN AM BY CARRIERS.

5. WE INFORMED COL. DHEMING, PER DEPTTEL, OF THE FAVORABLE RECOMMENDATION WITHIN THE CAB FOR A FIVE- YEAR EXTENSION OF TACA'S U. S. PERMIT. SHOULD THIS RESULT IN FINAL APPROVAL, IT, ALONG WITH CURRENT BI- LATERAL OFFER TO THE DAC OF ASSISTANCE IN AVIATION SAFETY/ HIJACKING, SHOULD PROVIDE A GOOD ENVIRONMENT FOR ANY EMBASSY REPRESENTATION IN FAVOR OF PAN AM.  
CATTO

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**Disposition Comment:** 25 YEAR REVIEW  
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**TAGS:** ETRN, ES, GT  
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